

## **ASX Announcement**

24 June 2019

### **Elanor Retail Property Fund 2HFY19 Forecast Distribution**

#### **Forecast Distribution**

Elanor Retail Property Fund (“ERF” or “Fund”) is pleased to announce its forecast distribution range for the six months ending 30 June 2019 of 4.30 cents to 4.35 cents per stapled security, with a point estimate of 4.32 cents. This reflects forecast Core Earnings for the year ending 30 June 2019 of approximately \$12.1 million.

The forecast distribution per security for the six months ending 30 June 2019 of 4.32 cents brings the total distribution in respect of the year ending 30 June 2019 to 8.97 cents per stapled security based on a distribution pay-out ratio of 95%.

The forecast distribution for the six months to 30 June 2019 reflects a reduction in the net operating income of Tweed Mall, resulting from the planned tenant vacancies during capital works for the Aldi tenancy. The impact of this downtime for the period is approximately \$0.45 million. The introduction of Aldi to Tweed Mall has resulted in strong speciality leasing at this precinct within the centre, with all speciality tenancies scheduled to open in conjunction with Aldi in August 2019.

#### **Key Investment Portfolio Updates**

- As at 31 December 2018 the ERF portfolio comprised 7 high investment quality retail shopping centres, valued at \$313 million, with a strong focus on non-discretionary retailers. The Fund’s portfolio at the time reflected an average capitalisation rate of 6.8%.
- NTA per security was \$1.46 as at 31 December 2018.
- An independent valuation of the Auburn Central property, as at 30 June 2019, has been instructed following the expected commencement of the Fund’s repositioning strategy at the asset in the coming weeks.
- The other assets in the ERF portfolio are being internally valued as at 30 June 2019, with no expected change in the carrying value other than in respect of capital works undertaken during the six months to 30 June 2019.
- The landlord works relating to the introduction of Aldi to Tweed Mall have been completed. The tenancy has been handed over to Aldi who will commence trading in August 2019.
- The introduction of Aldi to Tweed Mall has resulted in strong speciality leasing at this precinct within the centre, with all speciality tenancies scheduled to open in conjunction with Aldi in August 2019.

#### **Outlook**

The Fund’s core strategy will remain focussed on actively managing and growing earnings and NTA from its investment portfolio and acquiring additional high investment quality retail properties.

The Fund is well positioned to enhance value for security holders based on the execution of initiatives to realise the operational and strategic potential across the portfolio.

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ERF is progressing its strategic review of capital management options to address the prevailing discount of the traded security price relative to the Fund's underlying NTA. ERF will continue to keep the market updated on the progress of the strategic review.

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For further information regarding this announcement please contact:

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